

**APPROVED MINUTES
TIMBER ADVISORY COMMITTEE
April 26, 2007 MEETING**

The meeting was called to order by David J. Gau, Chairman, at 9:00 a.m., Room 122, State Board of Equalization (BOE), 450 N Street, Sacramento, California, with the following in attendance. A quorum was present.

<u>COMMITTEE (TAC) MEMBER</u>	<u>TIMBER ADVISORY REPRESENTING</u>
David J. Gau, Chair	BOE
Tim Holcomb	Assessor, El Dorado County
Linda Hill	Assessor, Humboldt County
Marsha Wharff	Assessor/Recorder/Clerk, Mendocino County
Charles W. Leonhardt	Assessor, Plumas County
Mike Mallory	Assessor, Siskiyou County
Marty Olhiser	Large-Scale Timber Owners
George Belden	Small-Scale Timber Owners
Christopher Zimny	CA Dept. of Forestry and Fire Protection
<u>OTHERS IN ATTENDANCE</u>	<u>REPRESENTING</u>
John Davis	Green Diamond Resources Co.
Chris Freeman	PALCO
Steve Wiard	Sierra Pacific Industries
Sue Blake	BOE Member Bill Leonard
Carole Ruwart	BOE, Legal Department
Dean Kinnee	BOE, County-Assessed Properties Division (CAPD)
Benjamin Tang	BOE, CAPD, Timber Tax Section
Mitchell Cari	BOE, CAPD, Timber Tax Section
Mike Doyich	BOE, CAPD, Timber Tax Section
Art Tenneson	BOE, CAPD, Timber Tax Section
Alicia Ynostroza	BOE, CAPD, Timber Tax Section

1. Oath of Office

Mr. Ramon J. Hirsig, Executive Director of the BOE, administered the oath of office to all TAC members. Board Member Betty Yee welcomed the members of the committee.

2. Nomination of Timber Advisory Committee Secretary

Linda Hill nominated Marsha Wharff to be Secretary of the TAC. The nomination was seconded by Mike Mallory. The nomination was unanimously approved.

3. Approval of November 9, 2006 Meeting Minutes.

Mike Mallory moved to approve the minutes from the November 9, 2006 meeting. Marty Olhiser seconded the motion, which then passed without objection.

4. Harvest Value Discussion for Period July 1, 2007 – December 31, 2007

a. Tables G & S — Green and Salvage Values Schedules

Benjamin Tang gave an overview of general trends in the timber market. Marty Olhiser questioned RG3 in TVA 2S. Mitchell Cari responded that the suggested value for RG3 in TVA 2S was well within the range of sales included in the analysis. Tim Holcomb moved to approve the suggested values on Table G. Marty Olhiser seconded the motion. The motion passed without objection.

George Belden asked that staff examine the cost differential between helicopter and tractor logging because of increased fuel costs. Tim Holcomb moved to have staff review helicopter costs and report back to the TAC for the next meeting. Chuck Leonhardt seconded the motion. The motion passed without objection.

Benjamin Tang discussed Table S values in general. Tim Holcomb moved to approve the values on Table S as presented. Mike Mallory seconded the motion. The motion passed without objection.

b. Table 1, Miscellaneous Forest Products Harvest Values

Benjamin Tang provided a general overview of Table 1, Miscellaneous Harvest Values, and staff's suggested changes from the previous schedule. Tim Holcomb moved to approve the suggested values for Table 1. Linda Hill seconded the motion, which then passed without objection.

5. Other Business

a. Fuel Hazard Reduction Costs

Benjamin Tang reported that there have been no new developments on this issue. California Department of Forestry and Fire Protection (CDF) will continue to review this item and contact the BOE when they have resolved some issues.

b. Small Sawlog Miscellaneous (SSM)

Benjamin Tang discussed the BOE staff developed instructional example which was distributed to taxpayers with the third quarter 2006 tax returns. Staff continues to evaluate the reporting trends of small sawlogs.

c. Date for Next Meeting

The date for the next TAC meeting was tentatively set for November 13, 2007 at 9:00 a.m.

6. New Business

- a. Marsha Wharff made a request regarding consecutive numbering of the pages in the package of materials mailed out.
- b. Chris Freeman brought up the issue of cost of preparing THPs and the deduction for portions of TVA 2S. No action was taken.
- c. Benjamin Tang brought up the 30 day lead time for distributing sales data to the TAC. He asked if the committee would consider a motion to change the lead time to two weeks. There was no motion on the matter.
- d. Mike Mallory inquired as to the status of the conversion of the existing Timber Tax database in FoxPro to a more modern technology. Benjamin Tang advised that the program is in the process of being converted to SQL Server utilizing the Delphi programming language. Mike expressed concern that Delphi is a dying language, and in his opinion SBE is replacing one outdated program with another.

7. Adjournment

David Gau adjourned the meeting at 10:30 a.m.